# Message Text

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FM SECSTATE WASHDC
TO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS
AMEMBASSY MOSCOW
CINCPAC
COGARD
GOVGUAM
TRSY

**UNCLAS STATE 271759** 

E.O. 11652: N/A

TAGS: PFORX, XC, US

SUBJECT: NOVEMBER 4 EA PRESS SUMMARY

## 1. CHINA

REUTER'S ROGERS (PEKING) REPORTS PRC OFFICIALS AS SAYING THURS THAT "GANG OF FOUR" WILL BE PUT ON TRIAL, CHARGED WITH PLOTTING COUP. "INFORMED SOURCE" SAID OFFICIALS, SPEAKING TO VISITING FINNISH DEL, ALSO CONFIRMED 4 ARE UNDER HOUSE ARREST, AND THAT YEH CHIEN-YING-LED COMMISSION INVESTIGATING RADICALS' ACTIVITIES IS TRYING DETERMINE WHETHER THEY HAD "ILLICIT RELATIONS" WITH SOVIET.

AP (TOKYO) REPORTS NCNA BROADCAST WHICH DEPICTED "GANG OF FOUR" AS "BLOODSUCKERS" AND AGITATORS AIMING AT SABOTAGING UNCLASSIFIED

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PRODUCTION, DISCREDITING GOVT OFFICIALS, AND SEIZING POWER. ACCORDING NCNA, FOUR REBELS POKED NOSES INTO SOME RR UNITS, "UNSCRUPULOUSLY PRACTICED METAPHYSICS," AND REPRESSED WORKERS' ENTHUSIASM (SUN).

WP ITEM REPORTS SHANGHAI RADIO SAYING PURGE OF "GANG OF FOUR" IS ONLY BEGINNING OF CAMPAIGN TO "ERADICATE" THEIR INFLUENCE.

GROUP OF FRENCH INDUSTRIALISTS LEFT PARIS WEDNESDAY FOR ONE-WEEK PRC VISIT AIMED AT INCREASING BILATERAL TRADE EXCHANGES. MISSION COMPOSED OF TOP EXECUTIVES IN AERONAUTICAL, AUTOMOBILE, CONSTRUCTION, CHEMICAL, MECHANICAL, ENGINEERING AND TEXTILE INDUSTRIES; WAS INVITED TO PRC BY PRES CHINESE COUNCIL FOR DEVELOPMENT INTL TRADE (JOC).

### 2. INDOCHINA

AFTER TALKS W/VN DEP FONMIN, FRENCH FONMIN SAYS GOF WILL ASSIST HANOI IN NATL RECONSTRUCTION/ECON DEVELOPMENT--BUT STILL OUTSTANDING PROBLEMS TO BE SETTLED BETWEEN COUNTRIES. NEW FINANCIAL AGREEMENT FOR 1976 DISCUSSED, BUT SIZE NOT REVEALED (REUTER PARIS).

#### 3. THAILAND

HUGE SHIPMENT THAI MARIJUANA SEIZED IN CALIF WHILE BEING SMUGGLED ASHORE FROM FISHING BOAT (BELCHER, LAT 11/2).

#### 4. AUSTRALIA

GOA WILL ISSUE 200 MILLION DOLS' WORTH BONDS IN NY MARKET IN MID-NOV. OBSERVERS SEE LOAN AS ATTEMPT MAINTAIN VALUE AUSSIE DOL; RECENT HEAVY NET CAPITAL OUTFLOW FROM AUSTRALIA PLACES STRONG PRESSURE ON GOA TO DEVALUE (STOVE, JOC).

## 5. KOREA

NYDN'S VOLZ REPORTS EX-ROK DIPLOMAT LEE JAI HYON SAID 11/3 THAT FORMER SK AMB HERE, KIM DONG JO, PUT BETWEEN 5,000/10,000 DOLS IN EACH OF ABOUT 24 ENVELOPES AND WENT CAPITOL UNCLASSIFIED

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HILL 1973 TO "BUY OFF" CONGRESSMEN. LEE CLAIMED CASH CAME BY DIPL POUCH FROM SEOUL; ADDED HE REPORTED INCIDENT FBI 3 YRS AGO, BUT CONSEQUENT INVESTIGATION RESULTED NO INDICTMENTS. LEE SAYS, "SOME STATE DEPT OFFICIALS" NOW CLAIM PROBE INVOLVED ONLY FEW INTERVIEWS.

US ARMY INVESTIGATORS SAY SK CONTRACTORS CHARGED US UP TO 50 PERCENT EXTRA IN COLLUSIVE BIDDING "SANCTIONED AT LEAST TACITLY" BY ROKG OFFICIALS (CSM; LAT 11/3).

## 6. JAPAN

IN LETTER TO HOUSE OF REPRESENTATIVES' SELECT CMTE IN-

VESTIGATING LOCKHEED AFFAIR, TANAKA DENIES GOJ ALLEGATION HE RECEIVED 33,000-DOL BRIBE FROM ALL NIPPON AIRWAYS (REUTER TOKYO).

SHARES PLUNGE ON TOKYO EXCHANGE AMID FEARS CARTER MAY ADOPT PROTECTIONIST TRADE POLICIES. JAPAN TRADE COUNCIL SAYS CARTER MIGHT TRY CURB JAPANESE EXPORTS STEEL/CARS/OTHER PRODUCTS IN ATTEMPT REDUCE US UNEMPLOYMENT. FINANCE MINISTRY SOURCES SAY VICE-MIN FOR INTL AFFAIRS MIGHT VISIT US TO LEARN MORE ABOUT CARTER'S PROPOSED ECON/MONETARY POLICIES (REUTER TOKYO).

DAMAGE FROM SAKATA FIRE ESTIMATED AT 138 MIL DOLS. SOME 2000 FIREMEN/50 ENGINES/400 SOLDIERS FOUGHT BLAZE LAST WEEKEND IN WHICH 3,157 LEFT HOMELESS (AP, LAT 11/2).

UPI'S OHE (TOKYO) INTERVIEWS MARIKO AWAYA--FEMINIST LAWYER WHO LEADS GROUP PRESSING FOR RESIGNATION LAW SCHOOL DEAN/SOME FACULTY MEMBERS DUE DERAGATORY STATEMENTS CONCERNING WOMEN IN LAW FIELD. AWAYA'S GROUP NOT SURE WILL SUCCEED IN DISMISSALS, BUT SAYS PURPOSE MAINLY GENERATE DISCUSSION/BRING ISSUE INTO PUBLIC ARENA/FINALLY BRING ABOUT CHANGE (BALT NA 11/3).

### 7. INDONESIA

CSM DESCRIBES PLIGHT INDONESIAN POLITICAL PRISONERS; ONLY 765 BROUGHT TO TRIAL BY END 1975, WHILE MANY AS UNCLASSIFIED

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50,000 REMAIN IN DETENTION SINCE ARREST IN 1965. OBSERVERS SAY EVEN WHEN TRIALS TAKE PLACE, VERDICTS "FOREGONE CONCLUSION"; DEFENSE ATTYS GIVEN ONLY 1 DAY PREPARE CASE, DEFENSE WITNESSES NOT CALLED UPON TESTIFY. RELEASED PRISONERS ALSO FACE DIFFICULTIES--EMPLOYMENT OPPORTUNITIES SLIM, USUALLY FIND BELONGINGS/HOMES CONFISCATED/SOLD BY POVERTY-STRICKEN RELATIVES.

JAKARTA POLICE ARREST 3 FOR TAKING 10 YOUNG CHILDREN FROM POOR FAMILIES, SELLING THEM FOR UP TO 800 DOLS EACH (REUTER JAKARTA, WP).

### 8. PHILIPPINES

AP MANILA BUREAU CHIEF ARNOLD ZEITLIN, EXPELLED W/NO OFFICIAL EXPLANATION, WAS TOLD OF RE-ENTRY DENIAL UPON RETURN FROM HK; ALLOWED STAY OVERNIGHT IN ORDER CLEAR UP SOME AFFAIRS (WIDEMAN, WP; REUTER MANILA, NYT).

MILITARY COURT THURS SENTENCED 3 MEN TO FIRING SQUAD FOR ROLE IN 5/21 HIJACKING PHILS ARILINER IN WHICH 10 PASSENGERS/3 OTHER HIJACKERS KILLED. NUMBER DEATH SENTENCES

PASSED BY MIL COURTS SINCE MARTIAL LAW IMPOSED NOW TOTALS 121 (REUTER MANILA).

### UNCLASSIFIED

CABIE (REUTER MANILA) REPORTS PHILS HAS BEGUN ADOPT HARDER LINE TOWARD ARRIVAL VN REFUGEES; HAS LIMITED RESETTLEMENT FUNDS, WANTS AVOID DIPLOMATIC ENTANGLEMENTS. GOP OFFICIAL SAYS ANY REFUGEES IN PHILS THERE "PURELY FOR HUMANITARIAN REASONS AND BECAUSE WE CANNOT THROW THEM BACK INTO THE SEA AND DROWN THEM." UN HIGH COMMISSION FOR REFUGEES IN MANILA SAYS COUNTRY NOT ALONE IN ATTITUDE--SAME FEELINGS BEING REGISTERED BY MALAYSIA/INDONESIA/HK/BRUNEI/THAILAND.

TYPHOON HIT MANILA 11/3, 300 MILES NE MANILA (UPI, WP).

### 9. HONG KONG

HK GOVT PLANNING EXPAND PUBLIC HOUSING TO PROVIDE HOMES FOR MORE THAN 200,000 PEOPLE EVERY YEAR. HOUSING OFFIUNCLASSIFIED

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CIALS ADMIT 95,000 FAMILIES ON WAITING LIST, THOSE NEAR BOTTOM MAY HAVE WAIT 6-10 YEARS BEFORE BEING OFFERED APT. PROJECT'S ESTIMATED COST 1.2 BIL DOLS (REUTER HK, LAT 11/3).

LEUNG/LIPSKY (WSJ) REPORT POSSIBLE SALE WHEELOCK MARDEN CO, W/140-MIL-DOL STOCK, INVOLVES 5 LARGEST PUBLICLY-HELD FIRMS IN HK. STATE DEALING FOR WHEELOCK FREEWHEELING "GAME" WITH "NOTABLE ABSENCE" RULES/REGULATIONS, PLUS VARIOUS INTERLOCKING DIRECTORSHIPS/"SUNDRY SORTS" CONFLICTS OF INTERESTS "THAT WOULD STARTLE REGULATORS IN WASHINGTON, LONDON, OR TOKYO."

COMMENT AND ANALYSIS

## 10. JAPAN

IN ARTICLE ON INTL ECON PROBLEMS, ROWEN (PHINQ) NOTES SPECIFIC ACTION WILL BE TAKEN THRU IMF LOANS, FINANCED BY US/JAPAN/FRG, EVEN THO ECON RECOVERY IN THOSE 3 NATIONS SLOWING DOWN. FURTHER COMPLICATING FACTOR IS OIL CARTEL WHICH THREATENS PRICE BOOST NEXT MONTH, MAKING ANY ECON GROWTH IN US/JAPAN/FRG MUCH HARDER ACHIEVE. CONCLUDED THAT BY COMPLETION JAPANESE ELECTION, ALL 3 MAJOR INDUSTRIAL NATIONS WILL HAVE NEW GOVTS, WHICH MUST "MAKE SENSE OUT OF COMPLICATED. INTERMINGLED, ECONOMIC RELATIONSHIPS-"

# 11. KOREA

JACK ANDERSON, CONTINUING COLUMNS RE CIA/FOREIGN INTELL TIES, SAYS CIA CONDONED VIOLATIONS US LAWS BY FOREIGN INTELL AGENCIES SUCH AS KCIA. REP HAMILTON (D-IND), WHO

HEADS HOUSE INVEST SUBCOMM, ASSURED ANDERSON OFFICE OF

FULL CONG PROBE FORINTELL OPS US. REP FRASER (D-MINN) HAS ALREADY ASKED CIA ABOUT ITS ARRANGEMENTS W/FORINTELL AGENCIES (NYDN).

CHI SUN-TIMES (10/29) BLASTS SK INFLUENCE - PEDDLING --CALLS ROK "UGLY", "COSTLY ALLY". SAYS TIME END KOREAN CONNECTION CONGRESS. CONCLUDES SK IS "TAINTED ALLY TAINTING CONGRESS." CLAIMS THIS ONE TAINT EASY REMOVE. UNCLASSIFIED

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#### 12. INDOCHINA

EXEC DIR NATL LEAGUE FAMILIES WRITES WP (11/3) DISAGREEING W/EARLIER LTR BY MIA WIFE WHO SAID LEAGUE REFUSES ACCEPT REALITY. STATES REALITIES ARE THAN VN HAS MIA INFO, AND UNTIL RECENTLY SECSTATE HAD "DO-NOTHING" POLICY. MUSIL (NATION 10/9) ACCUSES FORD ADMIN OF "DEEP CYNICISM" IN USING MIA QUESTION AS THREAT TO VETO VN ADMISSION UN. SAYS NATL LEAGUE OF FAMILIES IS PRIME LOBBY OPERATED IN CLOSE COOPERATION W/GOVT/DOD. OPINES ADMIN MANIPULATES MIA QUESTION FOR POL ADVANTAGE. PREDICTS WHEN FULL ACCOUNTING MADE, INFO WILL BE GRIM/SLIM.

## 13. PRESIDENTIAL TRANSITION

PAPERS START COMMENTING ON O'SEAS REACTIONS TO US ELECTION, POSSIBLE FOPOLICY CHANGES. AP (SUN) NOTES SKOREANS WORRY ABOUT FUTURE; ROKG CONCERNED ABOUT CARTER'S SUPPORT WITH-DRAWAL US TROOPS, CRITICISM SEOUL'S REPRESSIVE INTERNAL POLICIES. ADDS SEOUL ISSUED STATEMENT HOPING PRES-ELECT WOULD UNDERSTAND SK HAS SECURITY PROBLEMS DUE COMMUNIST THREAT FROM NORTH. IN JAPAN, SOME BUSINESS LEADERS/GOVT OFFICIALS FEAR LABOR'S SUPPORT OF CARTER MIGHT MEAN NEW US TRADE RESTRICTIONS VS JAPAN.

OBERDORFER (WP) SEES NO INDICATION RADICAL DEPARTURES FROM MAJOR US ALLIANCES/ADVERSARY RELATIONSHIPS, BUT FORESEES CHANGES IN EMPHASIS/TACTICS/PERSONNEL. SAYS CARTER'S ATTITUDE IN WKS BEFORE INAUGURATION LIKELY CRUCIAL TO ONGOING NEGOTS INVOLVING VN/ME/AFRICA/USSR/PANAMA CANAL.

CSM BELIEVES PRC EAGER LEARN IF CARTER'S CAMPAIGN CALL FOR TOUGHER BARGAINING W/USSR WOULD BENEFIT PEKING BY WEAKENING DETENTE. CHINESE REPORTEDLY HOPEFUL SCHLESINGER'S INFLUENCE WILL RISE. CSM ADDS ASIAN GOVTS WILL WATCH/SEE IF NEW PRES REDUCES MIL SUPPORT FOR SK, MAKES NEWINITIATIVES TO ESTABLISH DIPL RELS W/PRC, REDUCES US SUPPORT FOR REGIMES REPRESSIVE TOWARD POL OPPONENTS.

WP STAFFERS IN ASIA QUOTE HOPES WIFE SK POL PRISONER

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KIM DAE JUNG THAT CARTER WIN WILL HELP RESTORE DEMOCRACY/HUMAN RIGHTS; MENTION SEOUL'S RAPIDLY GROWING ECON/MIL STRENGTH REDUCES DEPENDENCE ON US, BUT CARTER'S PROPOSED POLICY CHANGES WORRY MANY KOREANS. STATE PRC EXPECTS CARTER ELECTION TO SLOW SOMEWHAT EFFORTS REACH FULL US-CHINESE DIPL RELS, SINCE WILL TAKE TIME GO OVER W/CARTER/AIDES THINGS COVERED ON PRES FORD'S PEKING TRIP. OPINE GROC ALREADY RESIGNED TO EVENTUAL CUTOFF DIPL RELS W/WASHINGTON NO MATTER WHO IS PRES. SAY PHILS' MARCOS CONCLUDED CARTER WIN WILL MEAN LITTLE TO GOP IN LONG RUN, THO MAY DELAY NEGOTS OVER MIL BASES. QUOTE TOKYO SOURCES THAT STATEMENT PREPARED IN EVENT FORD WIN CONSIDERABLY WARMER THAN THAT ISSUED FOLLOWING CARTER VICTORY. ADD OFFICIALS CONCERNED CARTER MAY PRESS JAPAN PAY MORE FOR OWN DEFENSE.

ROGERS (REUTER PEKING) NOTES NCNA ISSUED THREE-PARAGRAPH REPORT ON CARTER ELECTION VICTORY THURS, BUT PEKING MADE NO COMMENT ON RESULT. REPORTS OFFICIAL SPOKESMAN, ASKED WHETHER CARTER WILL BE SENT CONGRATULATORY MESSAGE, REPLIED: "I CANNOT SAY YET." ROGERS REPORTS ANALYSTS BELIEVE PEKING WILL NOT HAVE WELCOMED CARTER'S CAMPAIGN CALL FOR DEFENSE CUTS OR HIS REMARKS THAT US SHOULD NOT INTERVENE IF YUGOSLAVS INVADED BY SOVIET.

BUT ROGERS REPORTS ANALYSTS FEEL PEKING WILL NOT BE SORRY SEE HAK LEAVE INTL STAGE. OBSERVES ALTHOUGH HE WAS ONE OF ARCHITECTS IN 1972 BREAKTHROUGH IN SINO-US RELS, "PEKING HAS MADE LITTLE ATTEMPT TO CONCEAL ITS GROWING DISENCHANTMENT" WITH HAK, PRINCIPALLY BECAUSE OF HIS POLICY OF DETENTE WITH SOVIET. QUOTES ONE ANALYST THAT FIRST THING CHINESE WILL WANT SORT OUT ABOUT CARTER IS HIS EXACT STAND ON SOVIET.

## 14. CHINA

SUN'S TREWHITT FINDS US ANALYSTS UNCERTAIN THAT MODERATE COALITION'S INHERENT CONFLICTS CAN BE SUPPRESSED AS LEFTISTS FADE. OBSERVES THAT HOW THAT QUESTION IS RESOLVED WILL HAVE GREAT DEAL DO WITH PRC'S POLICIES IN BOTH INTERNAL/FOREIGN AFFAIRS.
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TREWHITT REPORTS GEORGETOWN U'S ELLO AS SAYING PROSPECT FOR LONG-TERM PRC STABILITY DEPENDS ON WHETHER LEADER-SHIP ALLIANCE IS NOTHING MORE THAN MARRIAGE OF CONVENIENCE FOR GETTING RID OF RADICALS-AND IF SO, MODERATE DISSIDENTS COULD CAUSE AS MUCH TROUBLE AS RADICALS IN FUTURE.

ELLO SAYS IF LEADERSHIP HAS DECISIVE POWER ELEMENTS--ARMY/CCP--IT CAN DEAL WITH BUREAUCRACY. ADDS THAT CLUE TO LONGER-TERM STABILITY WILL BE WHETHER GOVT NOW BEGINS

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REHABILITATE OUTCASTS, SUCH AS TENG; NOTES CHINESE WALL POSTER LAST WEEK WHICH PROCLAIMED, WITHOUT OFFICIAL CONFIRMATION, THAT TENG HAS RECEIVED OFFICIAL APPOINTMENT.

WP OBSERVES THAT, WHATEVER PRECISE NUMBERS, PRC HAS ACCOMPLISHED "MOMENTOUS FEAT" OF BRINGING ITS POPULATION/FOOD SUPPLY INTO BALANCE.

CITING HAK'S STATEMENT THAT US WOULD CONSIDER GRAVE MATTER IF PRC THREATENED BY OUTSIDE POWER, STLP-D (10/22) ENDORSES IT AS ONE WAY GETTING MESSAGE ACROSS PACIFIC THAT US INTERESTED IN STRENGTHENING RELS WITH NEW PRC LEADERS. ADDS THAT HAK'S WORDS ALSO DIPLOMATIC ENOUGH TO STATE CONCERN FOR PEKING THAT SOVIET COULD UNDERSTAND, BUT WITHOUT POSING COUNTER-THREAT TO MOSCOW.

GWYNNE DYER (CLEVE PD 10/29) PREDICTS POST-MAO PRC WILL BE MORE STABLE POLITICALLY, WILL GROW MORE QUICKLY ECONOMICALLY AND IN SHORT ORDER WILL BE LOT BETTER ARMED. SAYS HUA CLEARLY HAS FIRM ALLIANCE WITH PLA, AND IN RETURN FOR THIS SUPPORT WILL START SPENDING VERY HEAVILY ON ARMED FORCES RE-EQUIPMENT/MODERNIZATION. KISSINGER

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